

IN THE MATTER OF FACTFINDING

BETWEEN)
)
 OSCEOLA COUNTY, IOWA,)
)
) HUGH J. PERRY, FACTFINDER
)
 PUBLIC EMPLOYER,)
)
 AND)
)
) Recommendations issued:
) June 6, 2002
)
 PUBLIC PROFESSIONAL AND)
)
 MAINTENANCE EMPLOYEES LOCAL 2003,)
)
)
)
 EMPLOYEE ORGANIZATION.)

APPEARANCES:

FOR OSCEOLA COUNTY: ROBERT E. HANSEN, COUNTY ATTORNEY

FOR PPME LOCAL 2003: MIKE SCARROW, BUSINESS REPRESENTATIVE

BACKGROUND

Public Professional and Maintenance Employees local 2003 represents a bargaining unit comprised of 16 Osceola County Secondary Road Employees. Osceola County is located in northwest Iowa. The county has a population of 7,003. The parties are concluding a two year contract dating from July 1, 2000 to June 30, 2002. The parties have resolved all impasse issues for the contract July 1, 2002 to June 30, 2003 with the exception of **Wages, Insurance, Vacation and Overtime Compensation** (letter of understanding). Another county bargaining unit, deputy sheriffs, have resolved their contract differences (Wages and Insurance) through factfinding. The parties have engaged statutory factfinding to complete their contract and have extended the time lines to allow for completion of impasse procedures. A hearing was held on May 22, 2002 at the Osceola County Courthouse. In making the recommendations which follow, I have considered the criteria set forth in section 20.22(9) of the Public Employment Relations Act.

IMPASSE ISSUES

The issues for recommendation are **Wages, Insurance, Vacation and Overtime Compensation** (letter of understanding on guaranteed overtime).

CURRENT CONTRACT

Wages. The current contract provides for wages starting at \$12.28/hour for laborer, \$14.29/hour for Patrolman, Equipment Operator and Engineering Aid/Equipment Operator and \$15.16/hour for Mechanic. The benchmark wage for comparison purposes is **\$14.29/hour**. Employees start at 90% of the wage rate, move to 95% after 6 months and attain 100% of these wage rates at the completion of one year of service. The benchmark wage was increased by 3.8% for each of the last two bargaining years.

Insurance. The County presently provides single insurance coverage for these employees and contributes 30% toward the cost of an employee's family coverage for employees electing such coverage. The insurance costs is \$880/month for single and family insurance. Accordingly, for an employee taking family coverage, the employer contributes \$615.40/month and an employee pays \$264.60/month. The insurance plan currently offered is plan III of ISAC's group insurance (Wellmark Blue Cross/Blue Shield). It provides for a single deductible of \$100/year, a family deductible of \$200/year, 90/10 co-pay for select providers and 70/30 co-pay for non-select providers and maximum out of pocket for single-select of \$750/year and \$1,500/year for family-select. The County self-insures down to the \$100/year deductible.

Vacation. The following vacation benefits are currently enjoyed by these employees: 1 week (40 hours) after one year of service, 2 weeks (80 hours) after two years of service, 3 weeks (120 hours) after nine years of service and 4 weeks (160 hours) after twenty years of service.

Overtime Compensation (letter of understanding). There currently is a letter of understanding between the parties that provides, among other things, that these employees will be scheduled to work a minimum of 65 hours of overtime over the period July 1, 2001 to June 30, 2002.

COMPARABILITY

The parties are in basic agreement that the appropriate counties for comparability purposes are the Iowa counties of Lyon, Sioux, O'Brien, Clay and Dickinson (contiguous to Osceola County) and Emmet, Palo Alto, Pocahontas, Buena Vista, Cherokee and Plymouth (all within the next tier of counties).

POSITIONS OF THE PARTIES

Wages

The Union proposes that these employees receive a 6% wage increase. The Union submitted data indicating that when these employees are compared to the contiguous counties the wage here of \$14.29/hour

is \$.16 below average and when compared to the entire group is \$.01 above average. However, the Union notes that these employees pay a higher portion of their health insurance than do employees in the comparison counties making their disposable earnings \$1.20/hour (contiguous group) and \$.94/hour below average (entire group). The Union argues that this discrepancy justifies a higher than average wage adjustment for these employees. The Union also noted that while Osceola County was smaller in population and assessed valuation, the size of its road crew was proportionately smaller than those in surrounding counties. Settlement data submitted by the Union indicated that settlements were averaging \$.46/hour or 3.18%.

The County proposes a 3% wage adjustment for all classifications. It noted that Osceola was one of the smallest counties in the comparability group and the lowest in assessed property valuation. The County submitted data indicating that settlements were averaging 3.28% this bargaining year and that Osceola wages at \$14.29/hour were right at average. The County introduced information indicating that the cost of living for the previous year increased by 2.8%.

Insurance

The Union urges that the current insurance plan be maintained but that the County be required to pay 65% of an employee's family insurance with the employee paying 35%. The Union notes that while the insurance cost is the highest here (along with Dickinson County, also at \$880/month) the County pays considerably less than the comparable counties toward these employees health insurance, \$179.90/month or \$165.77/month less depending on which comparability group is used. The Union resists the County's insurance proposal, arguing that it would dramatically change the insurance benefit and significantly increase the exposure of these employees to medical costs. The Union objected to the numbers that it was provided with respect to the actual cost of the proposed new insurance, arguing that it had no idea what the final actual premium would be. The Union notes that the current plan is partially self funded unlike the plan proposed by the County, leaving a sum of \$51,794.54 in the self insurance fund to be accounted for.

The County proposes that the insurance plan for these employees be moved to a plan which provides as follows: (1) \$500.00 deductible per person, \$1,500.00 deductible per family; (2) Coinsurance in the network 90/10, out of network 70/30; (3) Maximum out of pocket per person \$1,500.00, per family \$3,000.00; (4) Prescriptions, generic - \$10.00, brand name-\$10.00 plus 20%, non-formulary - \$15.00 plus 35%; (5) Office Visits in network \$15.00, out of network subject to deductible; (6) Preventative care, covered under office visits; (7) Lifetime maximum - \$5,000,000.00. The County proposes that it pay 40% of the family portion of this plan with the employee paying 60% of the family portion. An employee's single insurance would be fully paid by the county as currently provided in the contract. The County notes that its current insurance is very costly and that most other employers have higher deductibles and coinsurance, holding down the premium cost of their insurance. The County notes that the cost of the current insurance will increase by 12.8% or from \$880/month to \$993/month for those employees taking family insurance (8 out of 16 in the bargaining unit).

Vacation

The Union proposes that the 4 week vacation benefit, currently earned after 20 years of service be made available to these employees after 18 years of service. The Union submitted data indicating that the average time it takes to earn 4 weeks of vacation in the comparable counties is from 16 to 17 years.

The County proposes that the Vacation benefit in the current contract be continued for the next contract without change.

Overtime

The Union proposes that the letter of understanding guaranteeing these employees 65 hours of overtime be continued for the next contract.

The County proposes to reduce the number of hours of guaranteed overtime to 55 hours.

DISCUSSION

Wages - It is noted that the County's proposal on wages is closer to the average settlements in the comparable counties this bargaining year. These employees wages are right at the average of their counterparts in the comparable counties. An wage adjustment near the average will maintain the relative position of these employees. A 3.5% wage increase for these employees is recommended.

Insurance-Insurance has become an extremely costly benefit here and elsewhere. Partially self insuring this benefit has, no doubt, helped to moderate the increasing costs. Nevertheless, health insurance here is among the most costly plans in the comparable counties. I am confident that the parties can mutually work toward cost containment of this benefit. The best insurance plan is one that is mutually negotiated. I am reluctant to recommend the implementation of the county's proposal. Similarly, I am disinclined to increase the County's share of the cost of family insurance. I am persuaded that both parties will have more incentive to negotiate cost containment measures with respect to the insurance benefit if left with the status quo. Accordingly, I recommend no change in the parties health insurance.

Vacation- The Union is asking that eligibility for the 4 week vacation benefit be moved from 20 years to 18 years of service. It submitted data indicating that the norm is closer to 18 years than the current 20 years. Presumably the vacation benefit currently in the contract is the product of voluntary negotiations between the parties. This is a benefit which is particularly suited to the give and take of negotiations. For me to recommend the Union's position on this benefit would deny the County the advantages of the quid pro quo inherent in contract negotiations. I recommend that the current vacation benefit be continued in the next contract.

Overtime (side letter of understanding)- The parties have in their contract a letter of understanding guaranteeing these employees 65 hours of overtime per contract year. Presumably, in

inclement years, these employees would automatically exceed these hours and in mild years come up short. It is unclear to the undersigned as to the exact history of this benefit. I assume that these employees gave something to get the overtime guarantee. I will not recommend that the guaranteed hours of overtime be reduced to 55 hours as proposed by the county.

RECOMMENDATIONS

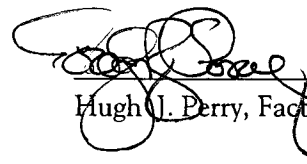
Wages - That these employees' wages be increased by 3.5% effective July 1, 2002.

Insurance - That the current insurance article continue for the next contract.

Vacation - That the current vacation provision continue for the next contract.

Overtime (side letter of understanding) - That the letter of understanding with respect to overtime (65 hours guaranteed per employee) be continued for the next contract.

Signed this 6th day of June, 2002.



Hugh J. Perry, Factfinder

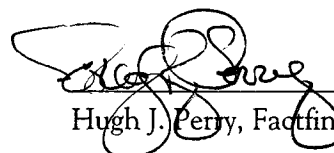
CERTIFICATE OF SERVICE

I certify that on the 6th day of June, 2002, I served the foregoing Recommendations of Factfinder upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Robert Hansen
Osceola County Attorney
300 7th Street
Sibley, Iowa 51249

Mike Scarrow
District Council 81 IUPAT
1450 NE 69th Place - Suite 50
Ankeny, Iowa 50021

I further certify that on the 6th day of June, 2002, I will submit this report for filing by mailing it to the Iowa Public Employment Relations Board, 514 East Locust Street, Suite 202, Des Moines, IA 50309.



Hugh J. Perry, Factfinder

Hugh J. Perry
Arbitrator
116 East Fifth Street
Storm Lake, Iowa 50588
Phone 712 732 1646
Fax 712 732 1687
E-mail perrylaw@dtgnet.com

2002 JUN 13 AM 10:28
PUBLIC EMPLOYMENT
RELATIONS BOARD

June 10, 2002

Robert Hansen
Osceola County Attorney
300 Seventh Street
Sibley, Iowa 51249

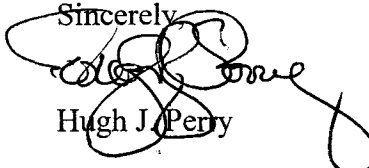
Mike Scarrow
PPME Local 2003
P.O. Box 113
Mason City, Iowa 50402

Re: Clarification of Factfinding
Osceola County/PPME

Gentlemen:

This is in response to our conference telephone call of this date and your joint request for a clarification of my recommendation on health insurance issued June 6, 2002. Currently, employees electing family insurance coverage are required to pay 70% of the cost of the family portion of the premium and the county pays 30%. These percentages are based on the current cost of ISAC plan 6 which provides for annual deductibles of \$750/single and \$1,500/family. In reality, these employees get the benefit of a \$100 deductible plan as the county self insures down to this level. It was suggested by the county that the 70% contributions required by the employees taking family insurance should be based on the higher premium of the \$100 deductible plan. This is not the current practice. My recommendation on insurance was to leave the parties with the status quo. Employees electing family insurance should, over the life of the next contract continue paying 70% of the plan on which the 70% is presently based, ISAC plan 6. The county should pay the difference. It is understood that the employee's contribution will increase with any premium increase for plan 6. The county's self funding down to the \$100 deductible should continue.

Hopefully, this clarifies my insurance recommendation. I apologize for any confusion that my June 6th recommendation on insurance has caused.

Sincerely,

Hugh J. Perry

HP:jp
cc: Susan Bolte PERB